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MUNICIPAL BOND PROCEEDINGS MANUAL

1978

GENERAL OBLIGATION BONDS

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GENERAL OBLIGATION MUNICIPAL BOND ISSUES

Pursuant to §82-411, R.C.M. 1947, it is the Attorney General's duty to examine certified copies of all proceedings preliminary to the issuance of any bonds by a city or town submitted for examination.

The purpose of his examination is to bar the invalidation of a bond issue because of any defect or failure to comply with any statutory provision relating to the authorization, issuance, or sale of the bonds, unless an action to contest the validity is brought within 30 days after the date of sale.

The following checklist, list of exhibits, and sample forms were compiled to aid you in preparing and conducting the preliminary bond proceedings.

The most common defect has been the failure to publish and post notices within the times specified by the statutes. Therefore, a table listing the general sequence of notice requirements is also included for your reference.

In preparing the copy of proceedings for submission to the Attorney General, your cooperation in following the order specified in the checklist would be greatly appreciated.

If you have questions regarding any aspect of a bond proceedings, you should consult your city attorney, who in turn may contact the Attorney General's office to discuss and resolve any problems that may arise.

GOVERNING STATUTES:

Sections 82-410, 411, 412 (A.G.'s duties); Sections 11-966 (purposes for which bonds may be issued); Sections 11-2301 to 2330 (Municipal Bonds); and Sections 79-2001 to 2005 (Bond Validating Act).

CHECKLIST:

The copy of proceedings should be compiled and submitted as soon after the date of sale as possible, preferably within two weeks, so that the Attorney General has a reasonable time to review the proceedings and render his report before the deadline commonly required by bond purchasers.

I. Permissible purposes (11-966).

The purposes for which a city has power to contract an indebtedness on behalf of the city by issuing bonds are as follows:

> Erection of public buildings, construction of sewers, sewage treatment and disposal plants, bridges, docks, wharves, breakwaters, piers, jetties, moles, waterworks, reservoirs and reservoir sites, lighting plants, supplying the city with water by contract, the purchase of fire apparatus, street, and other equipment, the construction or purchase of canals or ditches and water rights for supplying the city with water, building, purchasing, constructing and maintaining devices intended to protect the safety of the public from open ditches carrying irrigation or other water, to acquire, open and/or widen any street and to improve the same by constructing, reconstructing and repairing pavement, gutters, curbs, and vehicle parking strips and to pay all or any portion of the costs thereof, and the funding of outstanding warrants and maturing bonds.

II. Initiation

An election is required to issue bonds for any purpose other than refunding outstanding bonds or issuing bonds not pledging the general credit of the municipality. See Section 11-2301 if the exceptions apply. The election can be called by resolution of the city council or commission in one of two ways: (1) of their own volition, or (2) after their receipt of a petition requesting the election.

A. Resolution by council or commission on their own volition. The resolution must contain the following:

11-2307.1
1. must recite the purpose or purposes for the bond issue;
2. must fix the amount of bonds to be issued for each purpose;
3. must determine the number of years through which the bonds are to be paid;

11-2304
a) the term can't exceed 20 years; for refund bonds, 10 years or the unexpired term of the bonds to be refunded. If issued for a term longer than 5 years, the bonds must be redeemable at the option of the city on any interest payment date after half the term has expired.

4. must make provisions for having the question submitted at the next general city election or special election called for such purpose

11-2307.1 a) note the exception for revenue bonds not pledging the general credit of the municipality.

b) provisions should fix

i) the date of election;

ii) the hours which the polls will be open;

aa) general election--same hours as are fixed for the general election;

11-2308 ab) special election--not less than 8;

11-2308 iii) if a special election, should provide for the appointment of election judges (no fewer than 3);

11-2310 5. upon adoption of the resolution calling for the election, the city clerk must notify the county clerk and recorder of the election date. A copy of the letter, or an affidavit by the city clerk that this was done should be included in the copy of bond proceedings.

B. Resolution following petition.

11-2307.1 The resolution must contain all of the above. The resolution must also set forth the essential facts in regard to the filing and presentation of the petition. The petition itself must contain the following:

1-2306 1. a plain statement of each purpose of the bond issue and the amount proposed for each purpose;

a) may be a separate petition for each purpose or 2 or more purposes can be combined in 1 petition if each purpose with an estimate of amount is separately stated;

2. petition can consist of 1 sheet or of several sheets identical in form and fastened together, after being circulated, so as to form a single complete petition before being delivered to the city clerk;

3. must give the street and house number, if any, and the voting precinct of each person signing;

4. must be signed by at least 20% of the qualified electors of the city;
5. an affidavit must be attached to the completed petition, signed by a person who circulated or assisted in circulating the petition who himself is qualified to sign, stating that he believes the signatures to be genuine and that the signers knew the contents before signing;
6. the completed petition is filed with the city clerk who must, within 15 days, examine the county records and attach to the petition a certificate under his official signature which sets forth;
   a) the total number of persons who are registered electors;
   b) which, and how many of the persons whose names are subscribed to the petition, are possessed of all qualifications required of signers;
   c) whether such qualified signers constitute more or less than 20% of the registered electors of the city.

C. Requirements of bonds themselves.

These should be considered throughout the proceedings. Keep in mind when preparing the resolution, the notice and the sale itself:

11-966 1. Bonds must be for allowable purposes. See Part I, supra.

11-2303 2. Limitation on the amount of bonds:
Cities cannot issue bonds in an amount which, with all outstanding and unpaid indebtedness, will exceed 18% of the taxable value of the taxable property in the city, to be ascertained by the last assessment for state and county taxes. This information can be obtained from a financial statement signed by the city treasurer and city clerk. A copy of the financial statement should be included in the copy of bond proceedings. (There is an exception to this 18% limitation in cases of sewage systems and water supplies. There is also an exception in the case of refund bonds or warrants.)

11-2304 3. Limitation on terms and interest.
The term cannot exceed 20 years; 10 years or the unexpired term of the bonds to be refunded for refund bonds. If issued for a term

longer than 5 years, they must be redeemable at the option of the city on any interest payment date after 1/2 the term has expired. The maximum rate of interest the bonds may bear is 7% per annum and must be payable semi-annually.

4. Bonds must be amortization bonds unless serial bonds, in the judgment of the council, are more advantageous. See Section 11-2305 for definitions.

III. Election

A. Notice of election.

11-2308 Separate notice must be given whether the bond election is held at the general city or a special election.

The notice must contain the following:

1. date the election will be held;
2. hours the polls will be open;
3. amount of bonds proposed to be issued;
4. the purpose of the bond issue,
   a) if 2 or more purposes, each purpose and the amount thereof, must be separately stated.
5. the term of years through which the bonds will be paid;
6. may contain additional information regarding the election which the city council deems proper.

The affidavit of publication must show that the notice was published once a week for a period of not less than 2 consecutive weeks immediately preceding the election date.

A certificate signed either by the city clerk, or the county clerk and recorder (registrar), should show that the notice was posted in each voting precinct in the city at least 10 days prior to the election date.

A copy of the posted notice must be included in the copy of bond proceedings to verify that it also contained the correct information.

B. Registration of Electors

1-2310 After the council has adopted the resolution calling for the election, the city clerk must notify the county clerk and recorder of the election date.

The county clerk (registrar) must have published a notice, signed by him, stating that registration for the bond election will close at noon on the 15th day prior to the election date.

The notice must be published at least 5 days prior to the date when the electon books close (noon, 15 days prior to the election).

An affidavit of publication of the notice of close of registration must be included in the copy of bond proceedings.

After closing the registration books, the county clerk must prepare lists of the qualified electors of the city entitled to vote at the election. He must also prepare precinct registers for the election (23-3012) which he must deliver to the city clerk. A certification by the county clerk that the registers were prepared by him and delivered to the city clerk should be included in the copy of bond proceedings.

The city clerk delivers the registers to the election judges prior to the opening of the polls. A certification by the city clerk to the effect that this was done should also be included in the copy of the bond proceedings.

C. Ballots.

11-2309 Separate bond issue ballots must be provided whether the election is a general or special one. If bonds are to be issued for 2 or more separate purposes, separate ballots must be provided for each purpose. Check 11-2309 for the form of the ballots.

We should receive a copy of an official ballot.

D. Canvassing the returns.

11-2312 If the bond election is held at the same time as a general city election, the returns must be canvassed by the city council at the same time as the returns from the general election.

If the bond question is submitted at a special election, the city council must meet within 10 days after the election and canvass the returns.

The city council must canvass the votes and determine approval or rejection of the bond question in the following manner:

1. determine the total number of qualified electors of the city entitled to vote on the question;
2. determine the total number of qualified electors who voted from tally sheets;
3. calculate the percentage of qualified electors who voted;

11-2311 4. if the calculated percentage is 40% or more of the qualified electors, and a majority of such votes were cast in favor of issuing of the bonds, the proposition is deemed to have been adopted.

11-2311 5. if the calculated percentage is less than 40%, or if the majority of the votes cast did not favor the proposition, the proposition is deemed rejected.

A certification by the city council with a breakdown of the above information is required.

IV. Post Election

A. Resolution

11-2312 If the bond issue is approved (at least 40% voted and a majority of these voted favorably), the city council must meet within 30 days after the election and pass and adopt a resolution providing for the issuance of the bonds.

The resolution must recite:

1. the purpose for which the bonds are to be issued;
2. the amount of the bonds;
3. the maximum rate of interest the bonds may bear (7% - Section 11-2304);
4. the date they bear;

11-2304 5. the period of time through which they are payable and that any may be redeemed in full, at the option of the city on any interest payment date after 1/2 of the term for which they were issued has expired;

6. it must provide that preference shall be given amortization bonds but must fix the denomination of serial bonds in case it is found that such form is more advantageous;
7. it must adopt a form of notice of the sale of the bonds.

B. Notice of Sale.

11-2313 1. Section 11-2313 provides a sample of the notice to be given. The form adopted should substantially comply with that contained in the statute.

11-2314 2. Publication of notice of sale.
a) The notice must be published once a week for 4 successive calendar weeks (4 publications) immediately preceding the week which contains the date of sale.
b) we require an affidavit of publication.

* 11-2314 Apparently impliedly repealed by repeal of 79-1102 thru 1104. *(3. The city clerk must, at least 15 days before the sale date, send a copy of the published notice to the Board of Investments.)

V. Sale.

11-2315 The city council must meet at the time and place fixed in the notice to consider the bids:

1. Bonds cannot be sold at less than par value and accrued interest to date of delivery;
2. each bidder must specify the form of bonds to be issued (amortization or serial) and the rate of interest at which he will purchase the bonds;
3. when all things are equal, a bid for amortization bonds will be given preference over a bid for serial bonds;
4. the city council must accept the bid they judge most advantageous to the city;
5. no attorney fees, brokerage or other fee or commissions of any kind may be paid to any person or corporation for assisting in the proceedings, or in the preparation of the bonds, or in negotiating the sale;

6. The council may reject any and all bids and sell the bonds at private sale if they deem it for the best interests of the city. The bonds, however, can't be sold at less than par and accrued interest to the date of delivery.

The Attorney General's report will be sent to the municipality's recording officer (city clerk) and a certified copy of the report will be sent to the officer required by law to register the bonds (city treasurer). The city treasurer must note in the bond register that such copy was received.

EXHIBITS REQUIRED AND ORDER IN WHICH THEY SHOULD BE PRESENTED

We are to receive a certified copy of the bond proceedings. A one-page certification by the city clerk, attached to the exhibits, stating that the exhibits are true and correct copies of the documents they purport to represent, should suffice.

INITIATION

A. If election is called by city council on their own initiative:
   1. copy of resolution;
   2. copy of letter from city clerk to county clerk and recorder notifying him of the date of the election; or affidavit by city clerk, that this was done;
   3. Financial statement of the city, attested by the city treasurer or fiscal officer and city clerk.

B. Resolution following petition:
   1. copy of resolution;
   2. copy of petition (with affidavit by person circulating it attached);
   3. certificate by city clerk showing number of registered voters, which and how many subscribers are qualified, whether those qualified constitute more or less than 20% of the registered electors.
   4. copy of letter from city clerk to county clerk and recorder notifying him of the date of the election; or affidavit by city clerk that this was done.
   5. Financial statement of the city, attested by the city treasurer or fiscal officer and the city clerk.

ELECTION

1. Copy of notice of election;
2. Certificate of posting notice of election;
3. Affidavit of publication of notice of election;
4. Affidavit of publication of notice of close of registration;
5. Certificate by county clerk that registration books were closed on correct date, that he prepared lists and precinct registers and delivered the registers to the city clerk;
6. Certificate by city clerk that he delivered the registers to the election judges prior to the opening of the polls;

7. Copy of ballot;
8. Official bond election results certified by the city council.

POST-ELECTION

1. Copy of the resolution providing for the issuance of the bonds;
2. Affidavit of publication of notice of sale.

SALE

1. City council minutes stating essential facts of sale.
2. Copy of bonds and coupons (to complete file and sent separately after they are printed).

TIME TABLE FOR PUBLICATION AND POSTING

1. At least 21 days before the date of election, publish notice of close of registration for the bond election, whether it is a general or special election.
2. Two weeks before the election, publish the notice of election.
3. At least 10 days before the election post the notice of election.
4. One week before the election, again publish the notice of election. (These are minimum publishing and posting requirements. You may publish for as many weeks as you deem advisable so long as the notice is published at least once a week during the two consecutive weeks immediately preceding the election date.)
5. If a special election was held, the council must meet within 10 days after the election to canvass the returns. If the bond election was held at the same time as the general election, the returns are canvassed by the council at the same time as the returns from the general election.
6. Within 30 days after the election the council must meet and adopt the resolution providing for the issuance of the bonds.
7. Four weeks before the week of the date fixed for sale, publish notice of sale.
8. Three weeks before the week of the date of sale, again publish notice of sale.
9. Two weeks before the week of the date fixed for sale, again publish notice of sale.

10. One week before the week of the date fixed for sale, publish notice of sale. (Again, these are minimum publishing requirements and you may publish for as long and as often as you deem necessary, so long as you publish at least once a week for the four consecutive weeks immediately preceding the week of the date fixed for sale (4 publications).

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IV. SALE

Council Minutes . . . . . .

STATE OF MONTANA)
: ss.
County of _____)
City of _____)

I, _____, City Clerk for the City of _____, hereby certify that the attached exhibits are true and correct copies of the documents they purport to represent.

_____
City Clerk
City of _____

(OFFICIAL SEAL)

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____, MONTANA, SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF _____ AT AN ELECTION ON _____, 19__, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS IN THE AMOUNT OF $_____ FOR THE PURPOSE OF _____ AND PROVIDING THAT THE NUMBER OF YEARS THROUGH WHICH THE BONDS ARE TO BE PAID SHALL BE _____ YEARS.

WHEREAS, _____(facts justifying bond election if called on council's own volition, or essential facts relating to the filing and presentation of the petition if the resolution follows such petition)_____,

IT IS RESOLVED:

1. That the City Council does hereby call and direct to be held in the City of _____ on _____, 19___, an election for the purpose of voting on the question of issuing general obligation bonds of the City of _____ ___ _____ in the amount of $_____ for the purpose of _____ _____, and payable over a period of _____ years. The election shall be held coincidentally with the general election on said date and the judges and clerks of the general election shall act as the judges and clerks of the bond election. The polls shall be kept open between the hours of 8 a.m. and 8 p.m.

-or, if a special election-

The polls for this special election shall be kept open between the hours of _____ and _____. The City Council hereby appoints the following persons as judges who shall act as their own clerks for the bond election:

_____
_____
_____

2. That all qualified electors of the City of _____ _____ shall be entitled to vote at the bond election. The Clerk of the City Council is hereby authorized and directed to give notice of the call of this election to the County Clerk and Recorder. The County Clerk shall, after giving due notice of closing of the registration books, prepare printed lists of duly electors entitled to vote at the election, and shall prepare precinct registers for the election for each precinct of the city in the form and manner prescribed by law.

3. That the Clerk of the City Commission is hereby authorized and directed to give notice of the call and holding of the election by publication, once each week for a period of not less than two consecutive weeks immediately preceding the election date, in the _____, a newspaper printed and published at _____, Montana, and by causing notice to be posted in each voting precinct in the city at least ten days prior to the date of the election, which notice so published and posted shall read substantially as follows:

NOTICE OF ELECTION
CITY OF _____, MONTANA

NOTICE IS HEREBY GIVEN that on _____, the _____ day of _____ 19__, an election will be held in and for the city of _____, Montana, for the purpose of voting on the question of issuing bonds pledging the general credit of the City of _____ for the following purposes and the following amounts:

Proposition

THAT THE CITY OF _____, MONTANA ISSUE ITS GENERAL OBLIGATION BONDS IN THE AMOUNT OF $_____ TO BE PAYABLE DURING A PERIOD OF _____ YEARS FROM THE DATE OF ISSUANCE, THE PROCEEDS OF SUCH BONDS TO BE USED TO_____
_____
_____
_____

The polls shall be open between the hours of _____ and _____, and the voting places for the election shall be as follows: _____
_____
_____.

4. That the Clerk of the City Council is hereby authorized and directed to have prepared suitable ballots for use at the election and shall distribute the same to the judges of election in the respective precincts, together with the precinct registers supplied by the County Clerk and other necessary and proper election supplies, which ballots shall be white in color and of convenient size, printed in accordance with R.C.M. 1947, Section 11-2309. The ballots shall read substantially as follows:

Sample Form c
(Cont.)

_____
_____
_____
_____

PASSED, ADOPTED, AND APPROVED with _____ members voting for passage and _____ members voting against passage this _____ day of _____, 19_____.

_____
Mayor

ATTEST:

_____
Clerk of City Council

A petition calling for submission of the following issue to the qualified electors of the City of _____:

Whether the City of _____ shall issue its general obligation bonds in the amount of $_____ for the purpose of_____ _____ _____.

Sign Full Name as it appears on the Tax Rolls	Print Last Name	Street Address or P.O. Box	City Precinct

STATE OF MONTANA)
: ss.
County of _____)

_____, being first duly sworn, deposes and says that he/she circulated or assisted in circulating the attached petition; that he/she is a qualified elector of the City of _____ and was such a qualified elector at the time he/she circulated or assisted in circulating the petition; that he/she believes the signatures thereon are genuine and that the signers knew the contents thereof before signing the petition.

_____

SUBSCRIBED AND SWORN to before me this _____ day of _____. 19_____.

_____
Notary Public for the State of Montana.
Residing at _____
My Commission expires _____.

(Seal)

STATE OF MONTANA)
: ss.
County of _____)

I, _____, Clerk of the City of _____, do hereby certify as follows:

1. That on _____ 19_____, the attached completed petition was filed with me;

2. That within 15 days thereafter I carefully examined the petition and the county records showing the qualification of the petitioners;

3. That the total number of persons who are qualified electors is _____;

4. That the _____ persons whose names are subscribed to the petition and by whose signatures on the left-hand margin I have marked the character "x", are possessed of all of the qualifications required of signers to such petition;

5. That such qualified signers constitute more/less than 20% of the qualified electors of the city.

Dated this _____ day of _____ 19____.

_____
City Clerk
City of _____

(Official Seal)

STATE OF MONTANA)
: ss.
County of Lewis & Clark)
City of _____)

I, _____, Clerk of the City of _____, do hereby certify that on _____ _____, 19____, I notified _____, the _____ County Clerk and Recorder of the calling and date of the bond election.

Dated this _____ day of _____, 19_____.

_____
City Clerk
City of _____

(Official Seal)

* If notification was effected by mail, a copy of the letter may be substituted for this certification.

FINANCIAL STATEMENT FOR CITY OF _____

COUNTY OF _____, STATE OF MONTANA, AS OF _____

STATE OF MONTANA)
: ss.
County of _____)

We, the undersigned, being the City Clerk and the City Treasurer of the City of _____, County of _____, State of Montana, DO HEREBY CERTIFY that the following is a true and accurate statement showing the financial condition of the said City or town, as the same existed on the ____ day of _____, 19____.

VALUATION AND DEBT LIMIT

Total value of the taxable property of the said city or town as ascertained by the last assessment for state and county taxes and finally equalized for the year 19__, (full and true value) .....

General limit of indebtedness, 18% of the taxable value of the property as above defined.....

WARRANT INDEBTEDNESS

Name of Fund	Unpaid Warrants, Whether Registered or Not	Cash on Hand in Each Fund	Net Indebtedness against Each Fund

BONDED INDEBTEDNESS

Date of Issue)	Amount of Issue	Amount Now Unpaid	CASH IN Sinking Fund	Excess of Bond Over Sinking Fund
_____)				
Date Due_____)				
Purpose:)				
_____)				
Rate of Interest)				
)				
Type of bond)				

Sample Form H
(Cont.)

RECAPITULATION

Debt limit, except for Sewage System & Water Supply ....
Net Warrant Indebtedness .....$
Net Bonded Indebtedness .....
Total Net Indebtedness .....
Margin between Debt Limit & Net Indebtedness .....

IN WITNESS WHEREOF, we have hereunto subscribed our names and affixed our official seal at _____ Montana, this _____ day of _____, 19____.

(SEAL)_____
City Clerk of _____
County of _____

(SEAL)_____
City Treasurer of _____
County of _____

SAMPLE FORM I

Copy of the Notice of Election Which was Posted.

SAMPLE FORM J

STATE OF MONTANA)
: ss.
County of _____)

I, _____, City Clerk of the City of _____, do hereby certify that I did personally post a copy of the Notice of Election for the bond election to be held on _____, 19___, in each voting precinct of the City of _____ at least 10 days prior to the date of the election.

Dated this _____ day of _____, 19____.

_____
City Clerk
City of _____

(Official Seal)

SAMPLE FORM K

AFFIDAVIT OF PUBLICATION OF NOTICE OF ELECTION

AFFIDAVIT OF PUBLICATION OF NOTICE OF CLOSE OF REGISTRATION.

STATE OF MONTANA)
: ss.
County of _____)

I, _____, _____ County Clerk and Recorder, do hereby certify that registration books for the bond election for the City of _____, to be held on _____, 19___, were closed at noon on _____ 19____; that after the closing of the registration books for such election, I prepared lists of the qualified electors of the City of _____ who were entitled to vote at such election and prepared precinct registers for such election as provided in R.C.M. 1947, Section 23-3012, and delivered the same to the City Clerk of the City of _____.

Dated this _____ day of _____, 19_____.

_____
County Clerk and Recorder
County of _____

(Official Seal)

STATE OF MONTANA)
: ss.
County of _____)

I, _____, City Clerk for the City of _____, do hereby certify that I personally delivered the precinct registers to the judges of the bond election for the City of _____, held on _____ 19___, prior to the opening of the polls.

Dated this _____ day of _____, 19___.

_____
City Clerk
City of _____

(Official Seal)

SAMPLE FORM O

COPY OF OFFICIAL BALLOT

COPY OF OFFICIAL ELECTION RESULTS.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF _____,
PROVIDING FOR ISSUANCE OF GENERAL
OBLIGATION BONDS IN THE AMOUNT OF $_____
FOR THE PURPOSE OF _____
AND PAYABLE OVER A TERM OF _____ YEARS.

WHEREAS a bond election was held in the City of _____ _____, Montana on _____, 19___, for the purpose of deciding whether to issue general obligation bonds in the amount of $_____ for the purpose of _____ _____ _____ and payable over a term of _____ years;

WHEREAS the results of the bond election were as follows:

Total Voters Qualified to Vote	_____
For the Bond Issue	_____
Against the Bond Issue	_____
Total persons voting In the Bond Election	_____

AND WHEREAS the _____ persons voting in the bond election constitute _____ % of the registered electors of the City of _____,

IT IS RESOLVED:

1. The City of _____ shall issue its general obligation bonds in the amount of $_____ for the purpose of _____;

2. That such bonds pledging the general credit of the City of _____ shall be payable over a period of _____ years, and that the rate of interest shall not exceed 7% per annum, payable semiannually on the _____ day of _____ and the _____ day of _____ each year until such bonds are paid;

3. That such bonds shall be redeemable at the option of the City on any interest payment date after 1/2 of the term for which they are issued has expired, and that this provision shall be so recited in the bonds;

4. That the date the bonds shall bear is hereby fixed as _____, whether they are amortization or serial bonds;

5. That preference shall be given to amortization bonds; and that if amortization bonds are issued, the entire issue may be put into one single bond or divided into several bonds, as the City Council may determine at the time of sale;

6. That if the city council determines that serial bonds would be more advantageous, they will be in the amount of _____dollars ($_____) each, except the last bond which will be in the amount of _____ dollars ($_____); the sum of _____ _____dollars ($_____) of said serial bonds will become due and payable on the _____ day of _____, 19___, and a like amount on the same day each year thereafter until all such bonds are paid, except that the last installment will be in the amount of _____ dollars ($_____);

7. That the bonds shall be sold for not less than par value with accrued interest to the date of delivery;

8. That the city council may reject any and all bids and sell the bonds at private sale if they deem it for the best interests of the city;

9. That the city clerk is hereby authorized and directed to give notice of sale of the bonds by causing notice of sale to be published in the _____, printed and published at _____ Montana; that the notice shall be so published once in each calendar week in each of the four successive calendar weeks (4 publications) immediately preceding the week which contains the date of sale; and that the form of the notice of sale so published shall be as follows:

NOTICE OF SALE OF (CITY OR TOWN) BONDS

Notice is hereby given by the council of the (city or town) of _____, Montana, that the said council will, on the ____ day of _____, 19__, at the hour of _____ o'clock __.m., at its council chamber in the (city or town) of _____, Montana, sell to the highest and best bidder for cash, either amortization or serial bonds of the said (city or town) in the total amount of _____ _____ dollars ($_____), for the purpose of _____.

Amortization bonds will be the first choice and serial bonds will be the second choice of the council.

If amortization bonds are sold and issued the entire issue may be put into one (1) single bond or divided into several bonds, as the council may determine upon at the time of sale, both principal and interest to be payable in semi-annual installments during a period of _____ years from the date of issue.

If serial bonds are issued and sold they will be in the amount of _____ dollars ($_____), each, except the last bond which will be in the amount of _____ _____dollars ($_____); the sum of _____dollars ($_____) of said serial bonds will become due and payable on the _____ day of _____ 19___, and a like amount on the same day each year thereafter until all such bonds are paid, except that the last installment will be in the amount of _____ _____dollars ($_____).

The said bonds, whether amortization or serial bonds, will bear date of _____ 19__, will bear interest at a rate not exceeding seven percent (7%) per annum, payable semi-annually, on the _____ day of _____, 19__, and on the _____ day of _____, in each year, and will be redeemable (here insert the optional provisions, if any, recited in the bonds).

Said bonds will be sold for not less than their par value with accrued interest to date of delivery and all bidders must state the lowest rate of interest at which they will purchase the bonds at par. The council reserves the right to reject any and all bids and to sell said bonds at private sale.

All bids other than by or on behalf of the state board of investments of the State of Montana must be accompanied by a certified check in the sum of _____ dollars payable to the order of the (city or town) clerk, which will be forfeited by the successful bidder in the event he shall fail or refuse to complete the purchase of said bonds in accordance with the terms of his bid.

All bids shall be addressed to the council of the (city or town) of _____, and delivered to the clerk of said (city or town).

_____
Mayor of the (city or town) of
_____, Montana.

ATTEST:

_____
(City or town) Clerk

10. That the city council shall on the ___ day of _____, 19____, at the hour of _____ o'clock, __.m., at its council chambers in the (city or town) of _____, located at _____, sell to the lowest and best bidder for cash, either amortization or serial bonds of said city as hereinbefore provided.

PASSED, ADOPTED, AND APPROVED with _____ members voting for passage and _____ members voting against passage this _____ day of _____, 19__.

_____
MAYOR

ATTEST:

_____
Clerk of City Council

*AFFIDAVIT OF PUBLICATION OF NOTICE OF SALE

* (To be provided by the newspaper publishing the notice.)

MINUTES OF THE PROCEEDINGS
Of the _____ City Council
Relating to the Sale of the
City's General Obligation
Bonds

A duly called special meeting of the _____ City Council was held on _____ 19__, at _____ _____, commencing at the hour of _____ o'clock, __.m., at which all of the members of the council were personally present.

The purpose of the meeting was to consider and act upon the various bids for the sale of general obligation bonds in the amount of _____ dollars ($_____) and for the purpose of _____ _____.

Bids of the following persons or firms were received and considered:

_____
_____
_____

_____ introduced a resolution accepting the bid of _____ at _____ percent, and moved its passage and adoption.

_____ seconded the motion for the passage and adoption of the resolution.

Those voting in favor of passage and adoption were _____ and those voting against passage and adoption were _____.

The motion was declared duly and regularly passed and adopted and the successful bidder for the bond issue was declared to be _____.

_____
MAYOR

ATTEST:

_____
City Clerk